

SECOND REGULAR SESSION

[P E R F E C T E D]

SENATE BILL NO. 620

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RUPP.

Read 1st time January 9, 2012, and ordered printed.

Read 2nd time January 26, 2012, and referred to the Committee on Small Business, Insurance and Industry.

Reported from the Committee March 1, 2012, with recommendation that the bill do pass.

Taken up for Perfection March 20, 2012. Bill declared Perfected and Ordered Printed.

TERRY L. SPIELER, Secretary.

4661S.01P

AN ACT

To repeal sections 376.010, 376.015, and 376.307, RSMo, and to enact in lieu thereof three new sections relating to life, health, and accident insurance.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 376.010, 376.015, and 376.307, RSMo, are repealed
2 and three new sections enacted in lieu thereof, to be known as sections 376.010,
3 376.015, and 376.307, to read as follows:

376.010. Any number of persons, not less than thirteen, may associate and
2 form a company for the purpose of making insurance upon the lives of
3 individuals, and every assurance pertaining thereto or connected therewith
4 **(including, for policies issued outside of the United States of America,**
5 **insurance of non-life risks that are attached as riders to policies**
6 **insuring the lives of individuals; provided that the aggregate premium**
7 **assumed on an annual basis pursuant to such non-life risks does not**
8 **exceed three percent of the capital and surplus of such company as of**
9 **the thirty-first day of December of the preceding year),** and to grant,
10 purchase and dispose of annuities and endowments of every kind and description
11 whatsoever, and to provide an indemnity against death, and for weekly or other
12 periodic indemnity for disability occasioned by accident or sickness to the person
13 of the insured; but such accident and health insurance shall be made a separate
14 department of the business of the life insurance company undertaking it.

376.015. Corporations doing the business specified in section 376.010 may
2 also make insurance to provide a periodic indemnity for involuntary
3 unemployment when such insurance is sold in connection with an extension of

4 credit or, to the extent such insurance is sold outside of the United
5 States of America, group life insurance. Any company making such
6 insurance shall comply with the provisions of section 379.400 and the regulations
7 promulgated pursuant thereto, and shall have, in addition to any other capital
8 requirements for such company, a fully paid capital and surplus equal to the
9 amount required in section 379.010. Involuntary unemployment insurance may
10 be written on either an individual or a group basis, but in no event may group
11 involuntary insurance coverage be offered to residents of a state other than
12 Missouri unless the regulatory official governing insurance in such state has
13 granted prior approval.

376.307. 1. Solely for the purpose of acquiring investments that exceed
2 the quantitative limitations of sections 376.297 to 376.304, an insurer may
3 acquire under this subsection an investment, or engage in investment practices
4 described in section 376.303, but an insurer shall not acquire an investment, or
5 engage in investment practices described in section 376.303, under this
6 subsection if as a result of and after giving effect to the transaction:

7 (1) The aggregate amount of investments then held by an insurer under
8 this subsection would exceed three percent of its admitted assets; or

9 (2) The aggregate amount of investments as to one limitation in sections
10 376.297 to 376.304 then held by the insurer under this subsection would exceed
11 one percent of its admitted assets.

12 2. In addition to the authority provided in subsection 1 of this section, an
13 insurer may acquire under this subsection an investment of any kind, or engage
14 in investment practices described in section 376.303 that are not specifically
15 prohibited by this chapter without regard to the categories, conditions, standards,
16 or other limitations of sections 376.297 to 376.304, if as a result of and after
17 giving effect to the transaction the aggregate amount of investments then held
18 under this subsection would not exceed the lesser of:

19 (1) Ten percent of its admitted assets; or

20 (2) Seventy-five percent of its capital and surplus.

21 An insurer shall not acquire any investment, or engage in any investment
22 practice under this subsection, if as a result of and after giving effect to the
23 transaction the aggregate amount of all investments in any one person then held
24 by the insurer under this subsection would exceed three percent of its admitted
25 assets.

26 3. In addition to the investments acquired under subsections 1 and 2 of

27 this section, an insurer may acquire under this subsection an investment of any
28 kind, or engage in investment practices described in section 376.303 that are not
29 specifically prohibited by this chapter without regard to any limitations of
30 sections 376.297 to 376.304, if:

31 (1) The director grants prior approval;

32 (2) The insurer demonstrates that its investments are being made in a
33 prudent manner and that the additional amounts will be invested in a prudent
34 manner; and

35 (3) As a result of and after giving effect to the transaction, the aggregate
36 amount of investments then held by the insurer under this subsection does not
37 exceed the greater of:

38 (a) Twenty-five percent of its capital and surplus; or

39 (b) One hundred percent of its capital and surplus less ten percent of its
40 admitted assets.

41 4. Under this section, an insurer shall not acquire or engage in an
42 investment practice prohibited under section 376.294 or **acquire or engage in**
43 an investment that is a derivative transaction.

Bill ✓

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